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GOVERNMENT DOCUMENTS

VACANT  
RENTAL MARKET  
STUDY

NOVEMBER 1, 1990

SHELLEY REMPEL

RESEARCHER/COMMUNITY WORKER



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## **FOREWORD**

The Housing Help Centre for Hamilton-Wentworth is a community controlled store front organization staffed by the equivalent of five full time staff. We provide practical assistance to tenants who are homeless or in danger of being homeless. In addition, the staff document the need for affordable housing, assess the effectiveness of existing housing programs and advocate for changes in government housing policies which would improve the ability of the market and non-profit sector to address the circumstances of low-income and special needs tenants.

## **RESEARCH**

Research projects at the Housing Help Centre are community based and action oriented. Every step of the project is designed to reflect the perspective of the homeless and those endanger of homelessness. The reporting of the findings and recommendations are written to inspire changes that are in the best interest of families and individuals in our community who are most disadvantaged by the current social, political and economic systems. Therefore, it is the wish of the Housing Help Centre that any or all of this report be reproduced and distributed with the intent to promote improved circumstances for people who are homeless or in danger of homelessness. If further information is required contact the Housing Help Centre.

## **ACKNOWLEDGEMENTS**

The author wishes to express her appreciation to all those who contributed their efforts.

To the members of the Housing Help Centre Research Advisory Committee, Dr. Vera Chouinard, Maggie Fischbuch, Rosemary Foulds, Dr. Michael Wheeler, for their support and critical comments.

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An additional thanks to the Canada Mortgage and Housing Corporation, Hamilton Branch Office for their contributions.

Finally to the women, men, and children in the community who are homeless or in danger of being homeless. Let us work together to eliminate homelessness. May our words and actions contribute to a better tomorrow.



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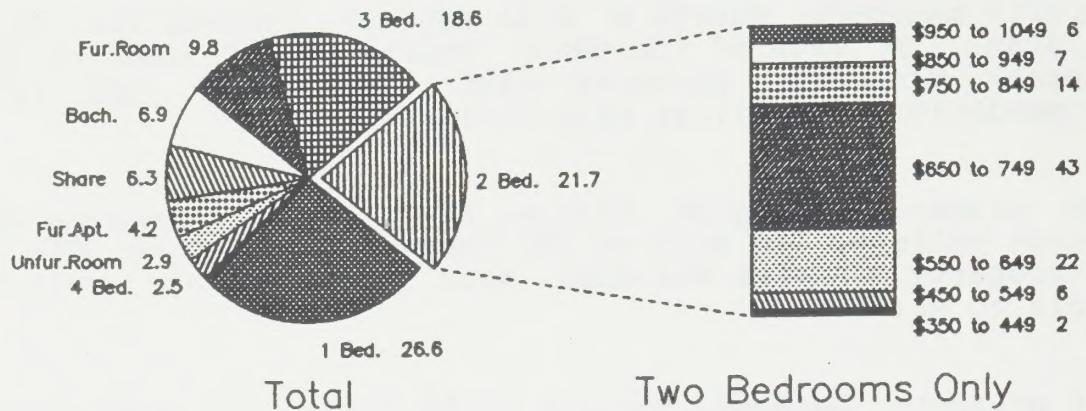
## EXECUTIVE SUMMARY

### Highlights of the Findings

- \* Property managers showed a bias against tenants who have children. In each of the three months 8.5% to 21% of the property managers surveyed said they would not rent accommodation to families with children.
- \* Many property managers hold a bias against tenants who receive welfare. In each of the three months 17% to 58% of the property managers surveyed said they would not rent to people on welfare.
- \* Most property managers require both first and last month rent before the tenant is rented accommodation. In each of the three months, 75% to 83% of the property managers surveyed said they want first and last months rent.
- \* The survey of vacant rental accommodation revealed a discrepancy between what low-income tenants could afford and what was offered for rent in the market. In most sub-markets fewer than half of the units could be rented by low-income tenants. Nearly all tenants living on G.W.A., F.B.A., O.A.S./G.I.S., or minimum wage are living below the Statistics Canada poverty line. An income above the Statistics Canada poverty line is required to rent median priced accommodation adequate for a household of two or more people. A single tenant seeking shared accommodation or a furnished or unfurnished room could afford to rent the median priced unit but they would still be living hundreds of dollars below the poverty line every month.

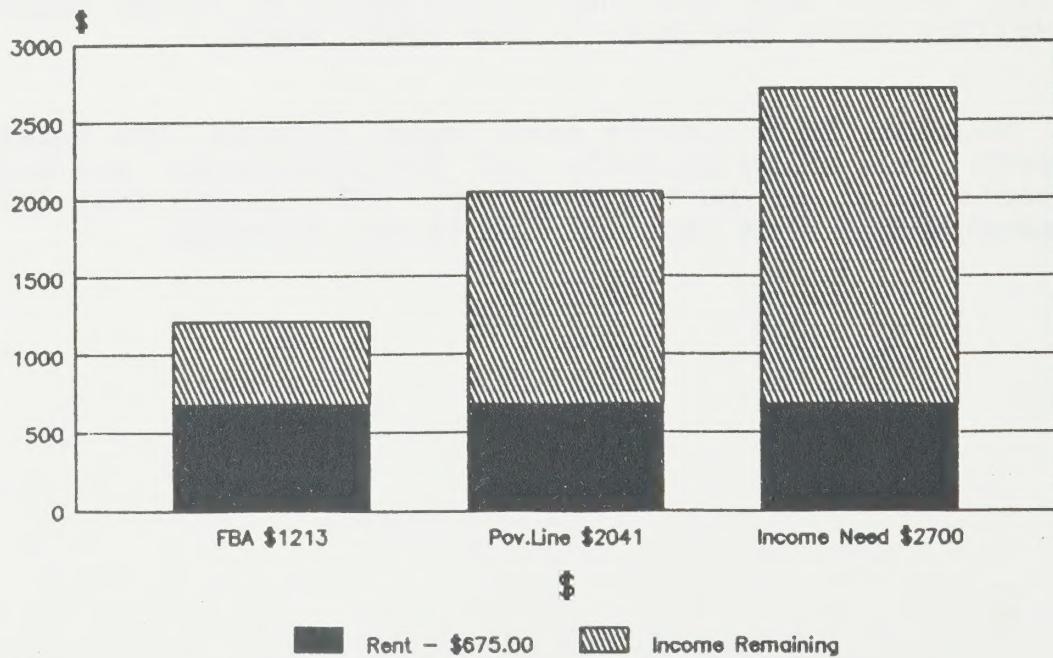
The Housing Help Centre sees many tenants and homeless people each day. The majority of the households are either single people or single parent families. The graphs that follow help to demonstrate some implications of the findings.

# Vacant Market Rentals % Distribution



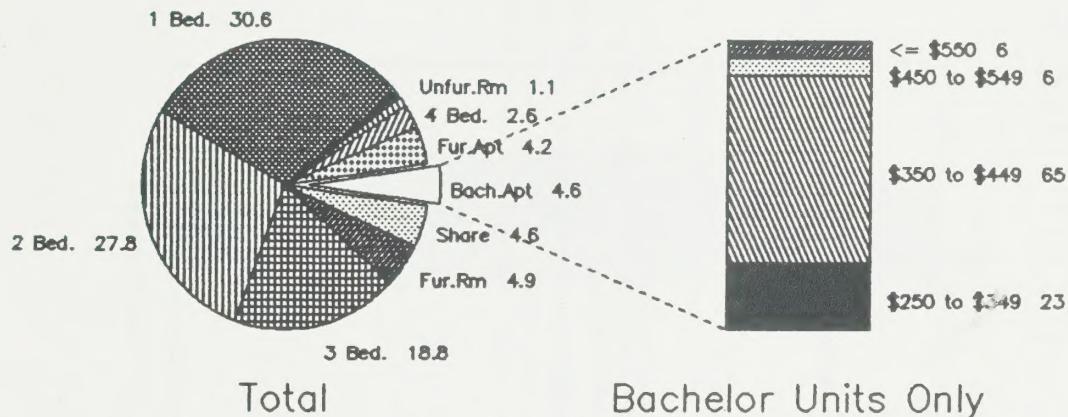
Housing Help Centre - January 1990

## Renting Two Bedroom Housing One Parent and Two Children



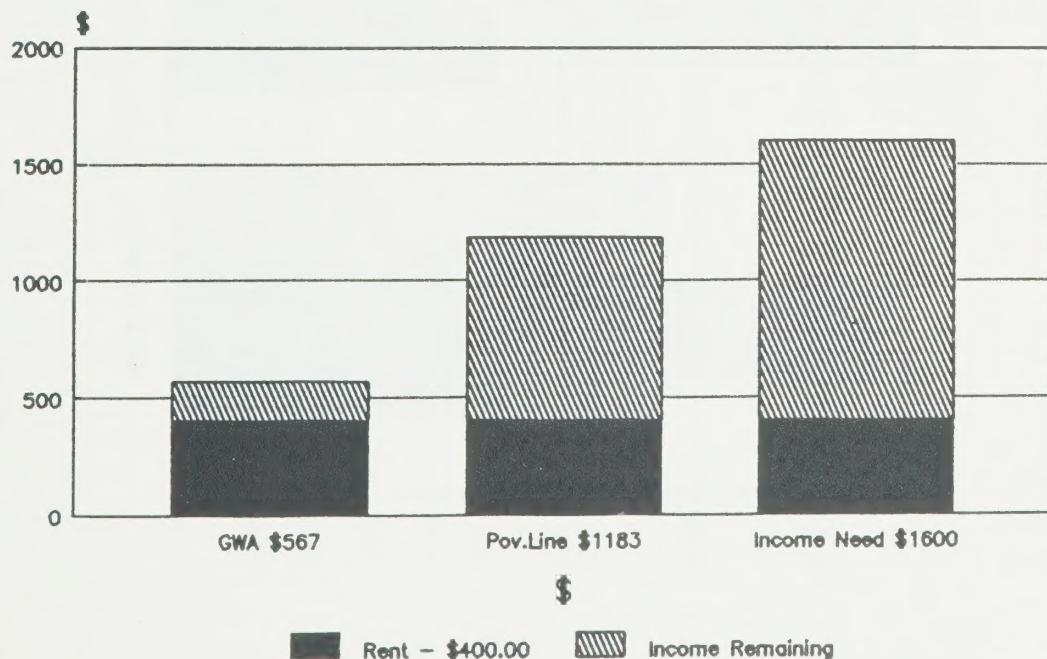
Housing Help Centre, Winter 1990

# Vacant Market Rentals % Distribution



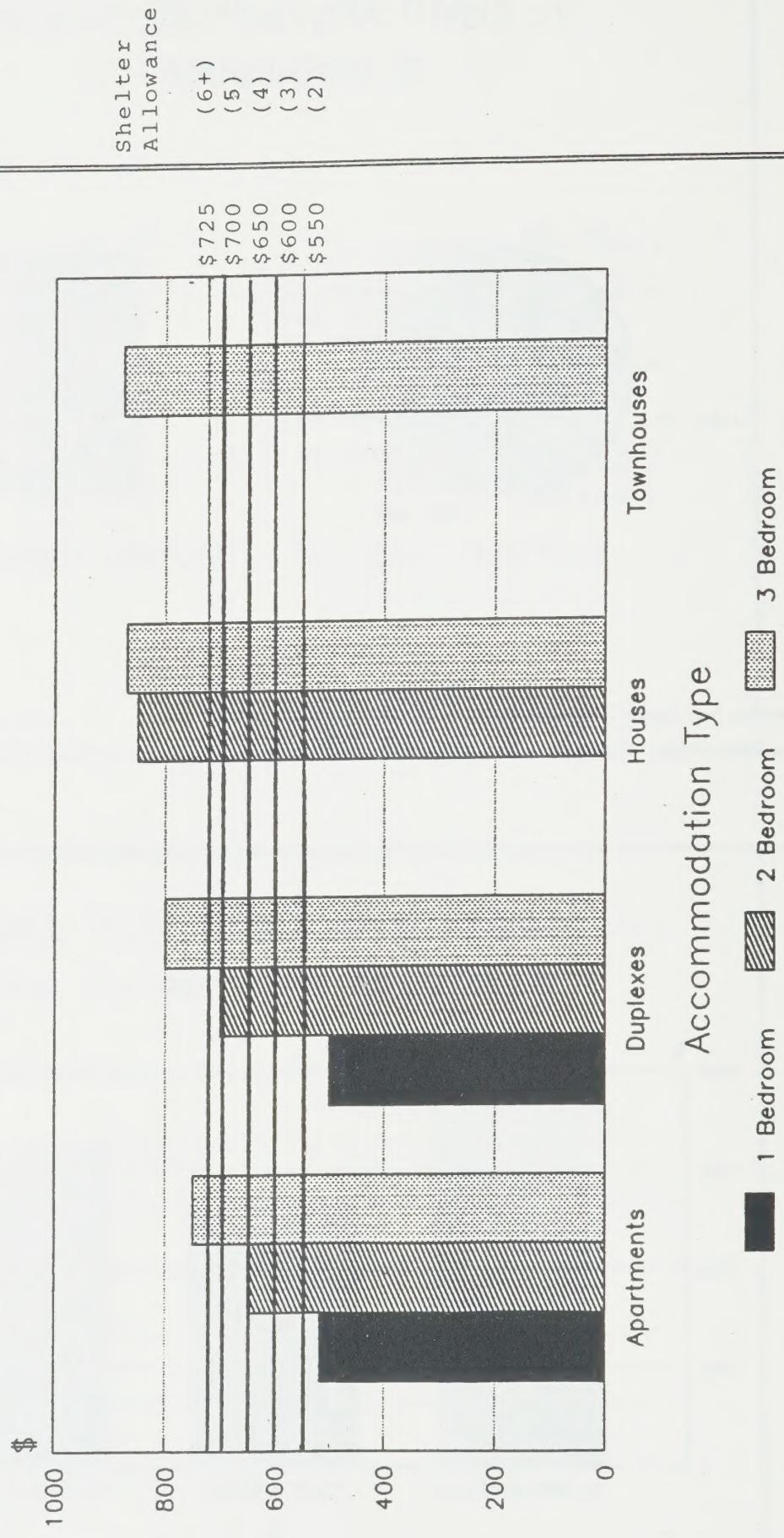
Housing Help Centre - February 1990

## Renting a Bachelor Unit One Person



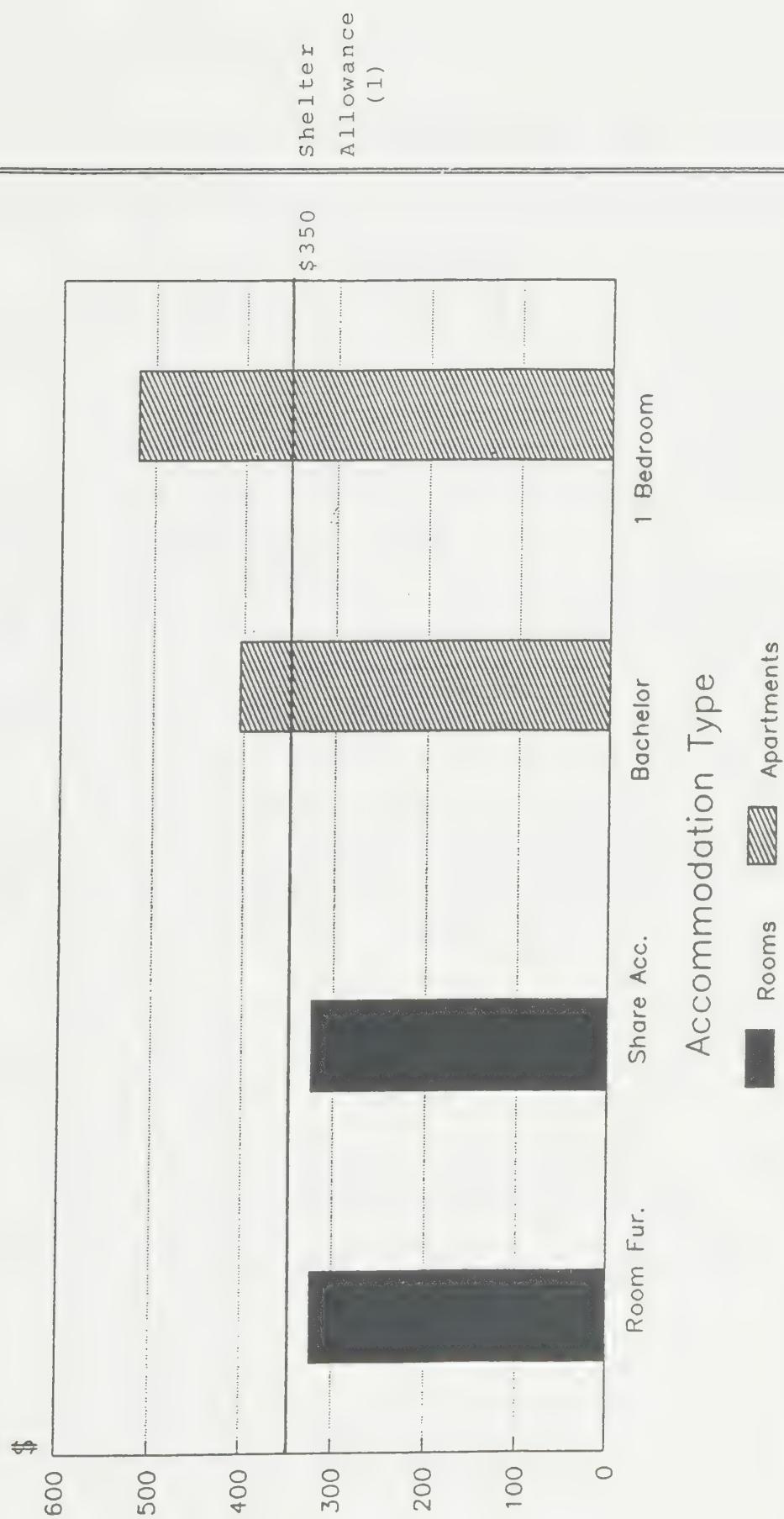
# Accommodation Costs For Families

## Median Rent Per Month



# Accommodation Costs For Singles

## Median Rent Per Month



Housing Help Centre, March 1990

## RECOMMENDATIONS

The survey of property managers showed a bias against tenants who have children. In each of the three months 8.5% to 21% of the property managers surveyed said they would not rent accommodation to families with children. This discrimination was not based on any of the characteristics of the accommodation (ie. size, location, amenities and so on).

This is in direct contravention of Human Rights Legislation,

*Every person has the right to equal treatment with respect to the occupancy of accommodation, without discrimination because of . . . family status.* (Human Rights Code, 1981)

Therefore the Housing Help Centre supports the following:

1. That all families be informed that they cannot be refused accommodation because they have dependent children. And that these families be encouraged to press for compensation through the Human Rights Commission if this right is violated.
2. That all property managers supervising tenant placement be informed that it is against the law to discriminate on the basis of "family status".
3. That the Housing Help Centre and other community services receive resources to ensure that both tenants and rental property managers receive services that will decrease the incidents of violation of the Human Rights Legislation for tenants with children.

The survey of property managers revealed a bias against tenants who were receiving welfare. In each of the three months 17% to 58% of the property managers surveyed said they would not rent to people on welfare. According to Human Rights Legislation,

*Every person has the right to equal treatment with respect to the occupancy of accommodation, without discrimination because of . . . receipt of public assistance.* (Human Rights Code, 1981)

Therefore the Housing Help Centre supports the following:

4. That all tenants who are receiving welfare or perhaps another form of public assistance be informed that they cannot be denied accommodation because they receive public assistance. And that these tenants be encouraged to press for compensation through the Human Rights Commission if this right is violated.

5. That all property managers supervising tenant placement be informed that it is against the law to discriminate on the basis of "receipt of public assistance".

6. That federal, provincial, regional, and municipal governments provide all tenant advocate services and agencies adequate resources to ensure that tenants receive information, education and representation, if necessary, on their rights and responsibilities as a tenant.

The survey of property managers revealed that most property managers require both first and last month rent before the tenant is rented accommodation. In each of the three months, 75% to 83% of the property managers surveyed said they want first and last months rent. The current legislation allows owners of rental property to charge first and last month rent.

Therefore the Housing Help Centre supports the following:

7. That the Ministry of Housing amend the Landlord Tenant Act to disallow rental property owners the right to charge last month rent.

In the alternative:

8. That the Ministry of Community and Social Services and the Regional Social Services Department provide low-income tenants a sum up to the amount required to pay for last months rent.

The survey of vacant rental accommodation revealed a discrepancy between what low-income tenants could afford and what was offered for rent in the market. In most sub-markets fewer than half of the units could be rented by a low-income tenant. Nearly all tenants living on G.W.A., F.B.A., O.A.S./G.I.S., or minimum wage are living below the Statistics Canada poverty line. An income above the Statistics Canada poverty line is required to rent median priced accommodation adequate for a household of two or more people. A single tenant seeking shared accommodation or a furnished or unfurnished room could afford to rent the median priced unit but they would still be living hundreds of dollars below the poverty line every month.

Therefore the Housing Help Centre supports the following:

9. That F.B.A. and G.W.A. Shelter Allowances be increased to allow tenants to rent at least the median priced rental accommodation.

10. That the Provincial Government provide a Shelter Subsidy\* program for all tenants experiencing hardship because of the lack of affordable rental accommodation. These tenants may include all households on the waiting list for subsidized housing, and many tenants receiving F.B.A., G.W.A., O.A.S./G.I.S., and minimum wage as their only source of income.

(\* A Shelter Subsidy is different from the Shelter Allowance provided by FBA and GWA programs. The Shelter Subsidy is a cash subsidy provided for low-income households who must spend an inordinate amount of their income on housing.)

11. That demand augmenting policies\* like, F.B.A., G.W.A., O.A.S./G.I.S., and minimum wage be increased at least to the level of the Statistics Canada Poverty Line.

(\* Demand Augmenting policies are economic or social policies that influence the demand for housing. (Chant, 1986))

12. That rent regulating policies\* like Rent Review or Rent Control are maintained and improved on to prevent rent gouging.

(\* "Rent Regulating policies serve to alter the market outcome from that which would have occurred, given the existing demand from actual or potential tenants, and existing supply from actual or potential landlords." (Chant, 1986))

13. That market replacing policies\* continue to receive the support of the Federal, Provincial, Regional and Municipal government.

(\* Market Replacing policies "operate through influencing third parties to make rental housing available. ... <the> policies depend on suppliers whose primary motive is something other than the return on investment." (Chant, 1986))

Some examples of market replacing programs include:

- (i) Non-Profit Housing
- (ii) Public Housing\*
- (iii) Cooperative Housing\*
- (iv) Community Resource Organization Program (CROP)\*
- (v) Department of Veterans Affairs Housing Program\*
- (vi) Municipal Incentive Grants\*
- (v) Elderly Persons Housing Aid Act\*

- (vi) Student Housing\*
- (vii) Municipal Non-Profit Housing Program\*
- (vii) Community Sponsored Housing Program\*
- (viii) Ontario Community Housing Assistance Program\*
- (ix) Municipal Incentive Grants \*
- (x) Wigamen Incorporated\*

\* (Chant, 1986)

14. That unique ideas or old ideas that have proven effective in the production of affordable housing be given further support as research, demonstration and/or development projects.

Some examples follow:

- (i) Accessory Apartments\*
- (ii) Conversions
- (iii) Infill
- (iv) Redevelopment
- (v) Granny Flats (Garden Suites)
- (vi) Homesharing (usually 2 people)\*
- (vii) Flexible-Use Housing (Charlie House, Hamilton and Grow Home, Montreal)\*
- (viii) Bi-Family Units (Pair of Dwellings both with ground level street access)\*
- (ix) Congregate Housing (sharing with 2 or more people)\*
- (x) Abbeyfield Concept Housing (7 to 10 people private bedsitting rooms or small self contained apartments)\*
- (xi) Mobile Home Villages\*, etc. . .

\* (CMHC, Housing Choices for Older Canadians.)

15. That the federal, provincial, regional and municipal governments increase support for policies that maintain the quality and augment the supply of affordable housing.

Some examples include:

#### Federal

- (i) Limited Dividend Housing Program\*
- (ii) Insured Loans\*
- (iii) Mortgage Insurance\*
- (iv) Federal/Provincial Rural and Native Housing\*
- (v) Residential Rehabilitative Assistance Plan (RRAP)\*
- (vi) Multiple Unit Residential Buildings (MURB)\*
- (vii) Assisted Rental Program (ARP)\*
- (viii) Graduated Payment Mortgage (GPM)\*
- (ix) Canada Rental Supply Plan (CRSP)\*
- (x) Municipal Incentive Grants \*

Provincial

- (i) Rent Supplement Program\*
- (ii) Accelerated Family Rental Housing Program\*
- (iii) Private Assisted Rental Program\*
- (iv) Ontario Rental Construction Grant (ORCG)\*
- (v) Ontario Rental Construction Loan Program (ORCL)\*
- (vii) REnt HAB/Demonstration Projects\*
- (viii) Innovative Rental Construction Loan Program\*
- (ix) Neighbourhood Improvement Program (NIP)\*
- (x) Convert-To-Rent\*
- (xi) Ontario Renews\*
- (xii) Municipal Incentive Grants Program\*
- (xiii) Elderly Persons Housing Aid Act\*
- (xiv) Second Level Lodging Home Programme
- (xv) Low Rise Rehabilitation Programme
- (xvi) Designated Property Grants
- (xvii) Community Heritage Trust Fund Programme
- (xviii) Affordable Housing Labour Education Project

Local

- (i) Hamilton Handicapped Programme
- (ii) Municipal Termite Grant Programme
- (iii) Municipal Termite Loan Programme

\* (Chant, 1986)

16. That institutional policies\*, for example, zoning by laws, building codes and standards, trade legislation, planning and approval processes, etc. . . . be examined and amended with the goal to increase the supply of affordable housing.

(\* "Institutional policies establish the ground rules under which housing can be supplied. They consist of the set of rules which delineate acceptable or legal forms of behaviour by suppliers from unacceptable or illegal in all dimensions except rent. These rules govern who is permitted to participate in the market, what products or services can be supplied and the conditions under which they can be supplied." (Chant, 1986))

17. That community planners and decision makers develop policies that reflect the needs of low-income tenants and that these strategies be based on a methodology, data and analysis that clearly portrays local housing market variations.

## 1.0 INTRODUCTION

### 1.1 Statement of the Problem

Housing affordability has emerged as one of the largest problems in the region of Hamilton-Wentworth. A number of committees and organizations and services like the Housing Help Centre, have materialized over the last 5 years to look at the problem seriously and to try to work on solutions. Slowly housing issues have moved up on the regional and municipal policy agenda.

Poverty and the lack of affordable housing are intimately related. The struggle to find decent affordable accommodation is difficult to separate from the inadequacy of income maintenance programs, minimum wage and other employment and economic policies.

As always some people are more affected by housing affordability problems than are others. Single parent and single income families, large families, singles, the disabled and seniors, each live in circumstances that leave them particularly vulnerable to one of the worst manifestations of poverty - homelessness.

The Housing Help Centre's Vacant Rental Market Study is a contribution to the emerging dialogue on housing problems in the region. The study augments existing research by providing a view of the housing market from the perspective of the low-income consumer. The analysis will contribute to the knowledge required by community advocates to articulate the need and identify the extent and nature of housing affordability problems in Hamilton-Wentworth. In addition, the study will help to inform the direction of change and actions to be pursued to better meet the housing needs of people living on a low-income.

### 1.2 Organization of the Report

Section two is a discussion of the context of the research. The main focus of this section is the Rental Market Studies done by the Canada Mortgage and Housing Corporation (CMHC).

Section three provides a description of the methodology employed in the Vacant Rental Market Study. Included in this section is a discussion of the research strategy, a description of the data collection, a description of the newspaper advertisement and the property manager surveys.

Further, section four is a description of the findings of the two surveys. Section five provides a brief analysis and 17 recommendations and section six provides a Bibliography.

## 2.0 RESEARCH CONTEXT

Housing related research is conducted by Canada Mortgage and Housing Corporation (CMHC), the Ministry of Housing for Ontario, Regional and Municipal planning departments, real estate associations, property owner associations, various university and college degree programs, Social Planning Councils and other community based agencies. Each compiles data pertaining to their various planning and policy making interests.

The following analysis focuses primarily on CMHC studies as these are the most regularly produced, frequently quoted and generally the most well respected studies. The analysis provides a description of the research methodology employed by the CMHC and a brief discussion of its strengths and weaknesses. The discussion ends with a explanation of how the Housing Help Centre research augments the CMHC studies.

### 2.1 Canada Mortgage and Housing Corporation

#### (i) Purpose of the Study

Canada Mortgage and Housing Corporation (CMHC) is the chief collector and compiler of housing statistics. They conduct an annual rental market survey in which they illustrate the average rents charged for a sample of private market apartments and row housing visited during the rental market survey. This survey is also used to determine the vacancy rate.

According to the CMHC,

*The purpose of the Rental Market Study is to estimate relative strengths in the apartment rental market. A certain level of vacancies is necessary to provide mobility in the rental market and to facilitate movement in the overall housing market. In other words, if the vacancy rate was zero, no household can move into the rental market until another household moves out, and new households could not move into a market area unless acceptable alternative accommodation is available. Given this viewpoint, a vacancy rate of zero is as serious as a vacancy rate of 10% because both disrupt the operation of the market but in two different directions. A zero level of vacancies means that neither consumers nor developers are "moving" and also, might result in an upward pressure on rent levels. A 10% level of vacancies, although, beneficial for consumers, would ultimately result in a temporary stagnation of building activity but would not necessarily result in a downward pressure on the rent levels. In other words, both situations are serious and the apartment rental market is out of equilibrium. (CMHC, April 1990)*

## (ii) Usefulness of the Study

According to CMHC, the survey is useful in the following ways,

*...to assess the availability and affordability of rental accommodation in housing markets across the country.*

*To assess the viability of specific projects considered in program delivery.*

*To set the Core Need Income Thresholds and to ascertain the program eligibility and forgiveness levels for the Rent RRAP Program. (CMHC, April 1990)*

In conclusion CMHC points out,

*...it is obvious that accuracy in the enumeration and survey methodology is imperative to convey correct results (vacancy rates and rents) to entrepreneurs and the public at large. In this way, market responses are properly directed to alleviate critical situations and maintain a rental market in a reasonable state of equilibrium. (CMHC, April 1990)*

## (iii) Study Process

Several informal discussions between CMHC staff and Housing Help Centre Staff helped to further the understanding of the study methodology employed by the CMHC. A summary of the CMHC study procedure follows:

The original study universe was compiled in 1964-65, probably from property assessment or other municipal records.

Additions to the study universe are based on a monthly CMHC Starts and Completions Survey. Other additions and most deletions are made to the study universe when they are reported by survey field staff.

Twice a year, in March and September, universe data is distributed by National office and sent to Branch offices for updating. The CMHC includes all rental structures of 3 units or more. Once the universe is updated the data is sent to National office. CMHC National draws a representative sample in each zone and major rental market. The sample structure data is printed on enumeration forms and sent to Branch offices.

Local survey staff are recruited and trained. The staff contact either rental property managers or owners. Participation in the survey is voluntary. Survey buildings are either visited once personally or contacted by phone. Private structures are physically visited at least once with one follow up visit or two telephone contact attempts. Publicly initiated structures are

called two or three times. If contact is not made after these contact attempts or the property manager refuses to participate in the interview the building is not included in the survey data.

Survey data is input at the Branch office and then sent to National office. A summary of average rents is produced once a year. The summary of vacancy rates is reported twice a year. National office generates the summary reports and distributes these to Branch offices. Branch office prepares and distributes the Rental Market Survey Reports. The reports are made available to interested community members, organizations and businesses.

The main survey methodology is uniform nationally, with some survey procedure differences between regions. According to CMHC the rental market surveys are the only consistent national source of information on the rental market.

## 2.2 Discussion

The CMHC research provides a overview of the market. The methodology employed is designed to measure rental situations in centres all across Canada. This design appears to yield good information for their planning interests, however, the broad based approach to study design neglects housing circumstances unique to some communities.

In Hamilton - Wentworth there are several sub-markets that are not part of the survey. These include:

1. Illegal rental units (10,000 - 20,000) (Hamilton Spectator March 8, 1990)
2. All single family, semi detached, duplex and triplex units (where the tri-plex property owner occupies one of the units)
3. Rooming houses
4. Room and board
5. Shared accommodation
6. First and second level lodging homes
7. Emergency shelters and hostels
8. As well as cardboard boxes, alcoves of buildings, bus shelters, tents, hospitals, jails and institutions for the psychiatrically and developmentally and physically disabled, etc...

With these markets left out of the survey the markets are also left out of the planning based on the CMHC survey findings. Therefore, people who live in this housing are left out of planning that is based on CMHC studies.

In addition, the CMHC research methodology permits other omissions. A few of these are summarized here:

Firstly, any superintendent, landlord, property manager or property owner can refuse to participate in the survey without suffering any consequences, therefore, whole buildings can be left out of the study.

Secondly, contrary to research conventions, the report implies a census study design. For example, CMHC report writers use terms such as, enumeration and universe. CMHC researchers explain that this language can legitimately be used because, statistically speaking, the sample falls well within the confidence levels that would allow CMHC to make generalizations to the entire universe, (or all the rental accommodation), in the study area. The study is not a census, (a study of the entire universe or population), it is a sample and many sub-markets are not included in the study.

A third problem is that no research has ever been done on the possibility of response bias. That is, who is refusing to participate in the survey? Do they have language problems or communication problems? What are the buildings like that are not part of the survey?

A fourth weakness lies in the collection of data from very large buildings. The distortions may occur in large buildings with more than 14 units of a particular size. The survey staff is required to combine similar unit types and provide the rental range. For example, 25 one bedroom apartments are recorded as having a rental cost of \$461 to 480 per month, instead of recording the actual rent for each unit.

Fifthly, no second source is contacted to verify that the data collected is accurate. For example, tenants or services like Rent Review Services may help to verify data.

Finally, tenants in immediate need of affordable housing would have little use for the study as the CMHC reports calculate average rents on rental units that are occupied and vacant. People in need of affordable housing are not interested in the average rent of occupied units. These home seekers are only interested in the cost of housing that is vacant in the one to two month period they are searching for accommodation.

In summary, CMHC studies provide a national overview of the housing market. This sweeping approach to study design and data collection is not sensitive to local housing sub-markets. Provincial, Regional and Municipal planners and decision makers use the CMHC data extensively. The consequence is that some housing sub-markets are not included in the planning and decision making process.

A second consequence is that household planners and decision

makers cannot make use of CMHC data either. CMHC reports are not published regularly enough to help someone who is in immediate need of housing, the information collected is not representative of the entire housing market, and the report is not presented in a way that is accessible to the average reader.

CMHC's extensive focus on quantifiable data has other consequences. The extensive focus on rental housing cost neglects other important market variables such as the effects of discrimination and housing policy.

The next section will discuss how Housing Help Centre research is working towards filling some of the gaps in housing research.

### 2.3 Housing Help Centre Research

The Housing Help Centre study provides yet another view of the market. This study views the market as much as possible from the perspective of someone in immediate need of rental accommodation.

People in need of market housing appear not to be concerned about the legal status of the accommodation. These home seekers are more concerned that they find decent accommodation that they can afford.

Generally, tenants have the following options available when they are searching for a place to live.

- (i) Classified ads in the newspaper
- (ii) Personal contacts
- (iii) Home Locators, Rent Finders or some equivalent fee-for-service business
- (iv) Public and Non-Profit Housing
- (v) Chance - that is walking by a place to rent
- (vi) Other free listing services such as Housing Help Centre's FLS (Free Listing Service), McMaster and Mohawk student housing, social service agency bulletin boards or other public bulletin boards (ie) laundromats, community centres, recreation facilities

The study focuses on the classified adds in the newspaper given that this is the largest single source of rental market housing listings available to people looking for housing.

The study is designed to provide a detailed view of the vacant rental market for tenants in need of affordable housing. It includes all forms of rental accommodation listed in the daily newspaper. A full range of housing types and possibly illegal units are included in the study.

The study supplements and complements the CMHC research and other studies by providing a more detailed analysis of the vacant rental housing market. Equipped with the analysis of the Rental Market Study community workers at the Housing Help Centre can provide tenants with a more realistic view of the rental housing market. In addition, the analysis may be used to influence policy and programs at a local level. For example, the adequacy of FBA and GWA shelter allowances or the need for non-profit and public rent/geared-to-income housing.

### **3.0 RESEARCH METHODOLOGY**

#### 3.1 Research Strategy

The objective is to design a methodology that can provide a good analysis of a "slice in time" in the vacant rental market. In addition, the research design may be used to provide a "longitudinal study" of the vacant rental market.

A second part of the study briefly looks at some of the barriers faced by tenants in search of rental market housing.

An ongoing analysis of the vacant rental market and a continual study of barriers faced by low-income tenants has several benefits:

- \* The data collected can be of immediate and direct benefit for people searching for rental housing in Hamilton-Wentworth.
- \* The study provides a methodology unique to the Hamilton-Wentworth Vacant Rental Housing Market.
- \* Housing Help Centre findings will provide a new way to view highly regarded rental market studies.
- \* The on-going collection of the data will provide a means to track vacant rental market trends.
- \* The study may provide data to inform policy and program decision making.
  - (ie) FBA and GWA adequacy of Shelter Allowances
  - (ie) Need for last-month-rent
  - (ie) Regional and Municipal Planning decisions

#### 3.2 Methodology In Detail

The research staff for the Housing Help Centre project includes one - half time research director, one 1/4 time Social Work placement student (8 month term) and a 2-week placement student from Mohawk College.

There are two parts to the study. One part consists of a survey of landlords the second is a study of the vacant rental market.

### (i) Data Collection

This section outlines the data collection procedures used in the study. The following table outlines the issue area or problem and the source of data.

Table 3.1  
Rental Market Study - Housing Help Centre

Issue/Problem	Data Source
1. First and Last Month Rent	* survey of landlords
2. Discrimination Against Families	* survey of landlords
3. Discrimination Against Welfare Recipients	* survey of landlords
4. Affordability of Vacant Rental Accommodation	* newspaper ads

The study was conducted over a ten month period October 1989 to August 1990. The following table provides a time schedule of the study.

Table 3.2  
Research Schedule 1989 & 1990 - Housing Help Centre

Oct. Nov. Dec. Jan. Feb. Mar. Apr. May June July Aug.

Policy and Research Review

Pre-test Study Design

Data Collection

Data Analysis & Report Writing

## (ii) Survey of Landlords

The purpose of this study methodology was to gather information from a good cross section of rental property owners, managers and landlords, (hereafter all will be called "property managers").

Data was gathered by drawing a sample from the Hamilton Spectator classified advertisements for rental units. The point was to survey different property managers renting out different types of accommodation. The classified ads are the largest source of information on vacant units, and the one frequently used by tenants in need of accommodation. A single data source (ie. the classified ads) provides a sample of vacant units with the least risk of duplication.

Briefly the survey took the following form. A study proposal was drafted. The proposal was endorsed by the Housing Help Centre's Research Advisory Committee.

A questionnaire was drafted, pretested and redrafted several times to ensure reliability (or is "the measurement process itself stable" (Lother and McTavish, 1980)). A copy of the questionnaire is available at the Housing Help Centre. The questionnaire had "face" validity (or are "you are measuring what you want to measure" (Lother and McTavish, 1980)) because the method of data collection was designed to replicate an actual search for rental accommodation.

A random weighted sample of accommodation types were selected from the Hamilton Spectator "Accommodation for Rent" advertisements.

Calls were made on three mid month days in January, February and March 1990. A mid-month Friday was selected each time. Telephone interviews were conducted by two interviewers for a full day.

A random selection of all accommodation types were selected and the property managers responsible for the units were contacted. Included in the selection were: rooms furnished, rooms unfurnished, shared accommodation, room and board, townhouses, condominiums, houses, duplexes, apartments furnished and apartments unfurnished.

The following table summarizes the scheduling and the response rate:

Table 3.3  
Housing Help Centre Survey - 1990

	<u>Survey Dates</u>		
	Jan. 19th.	Feb. 16th.	Mar. 23rd.
Total Sample	40	40	39
Total Complete Questionnaires	24	28	23
Response Rate	60%	70%	59%

\* A total of 75 rental property managers were surveyed.

### (iii) Newspaper Advertisement Survey

The purpose of this survey was to get a snapshot view of the vacant rental accommodation market. A brief description of the study process follows.

Three specific days were selected for the survey, in order to avoid possible market fluctuations between week days, days of the month and months. The days selected for the survey were: (1) Wednesday, January 31st., an end of the month mid-week day, (2) Friday, February 16th., a mid-month end of the week day and (3) Monday, March 5th., an early month early week day. For each selected day as much information as possible was noted on each rental accommodation advertisement listed. No telephone calls were made. This was strictly a document review. A copy of the "data gathering instrument" is available on request at the Housing Help Centre.

Under each category of accommodation listings researchers noted the type of information included in the ads. This information was totalled and percentages were calculated.

Accommodation categories include: (1) Apartments To Rent Unfurnished, (2) Apartments To Rent Furnished, (3) Condominiums For Rent (4) Duplexes For Rent (5) Townhouses For Rent (6) Houses For Rent (7) Rooms Unfurnished (8) Shared Accommodation, (9) Room and Board, (10) Rooms Furnished. In the study period the Hamilton Spectator advertised over 550 units for rent on January 31, 1990, 540 on February 16, 1990 and 430 on March 5, 1990.

The following table summarizes the percentage of information available in each of the three months for the variable "cost". The first column is the percentage of ads providing information on the cost of the accommodation for rent. The second column is the total number of vacant rental units listed in each category. An example of how this table can be read is; the number of "Apartments To Rent" on January 31, 1990, was 248, and 75% of these 248 units provide information on the cost of the accommodation.

Table 3.4  
Housing Help Centre Survey - 1990

	Number of Units of Accommodation for Rent and		Percentage of Units Providing Cost			
	January	February	March			
	%	#	%	#	%	#
1. Apartments To Rent Unfurnished	75	248	72	259	68	193
2. Apartments To Rent Furnished	50	24	67	24	62	26
3. Condominiums For Rent	73	11	72	18	71	14
4. Duplexes For Rent	92	97	95	97	90	81
5. Townhouses For Rent	95	38	79	47	91	34
6. Houses For Rent	86	78	88	77	79	66
7. Rooms Unfurnished	73	11	33	6	50	6
8. Shared Accommodation	76	33	72	25	48	25
9. Room and Board	0	2	33	3	0	3
10. Rooms Furnished	70	33	46	33	64	28

The significance of this table is (1) to provide an indication of the number of units available within a particular category and (2) to indicate the basis for the analysis of accommodation cost to follow in subsequent sections of this report.

The next section is a description of the findings of the Housing Help Centre research.

## 4.0 FINDINGS

This section provides a description of the findings from, (4.1) the Survey of Landlords and (4.2) the Newspaper Advertisement Survey.

### 4.1 Survey of Property Managers

In January, February and March a total of 75 property managers were called and asked questions about the accommodation they advertised for rent. The findings follow:

- \* Most of the accommodations listed for rent were in the city of Hamilton (92% January, 86% February, 91% March).
- \* 66% to 90% were renting accommodation suitable for one, two or three people, or small households, (ie. rooms, bachelors and one and two bedroom accommodation types).
- \* 70% to 87% of the property managers were advertising rental units in buildings with 4 units or fewer.
- \* The rent charge for the accommodation ranged from \$220 to \$1800 per month.
- \* In each of the three months surveyed 75% to 83% of the property managers required both first and last month rent.
- \* When asked, 13% to 42% of the property managers were willing to negotiate the payment of "last month rent", and 25% to 52% were not willing to negotiate.
- \* 50% to 75% of the property managers surveyed said heat was included in the cost of the accommodation. Thirty percent to 57% of the property managers said hydro was included in the cost of accommodation.
- \* Most accommodation provided a fridge (78% to 100%), stove or hot plate (74% to 100%) and oven (65% to 92%).
- \* 79% to 88% of the property managers surveyed said the accommodation was owned by an individual as opposed to a company or partnership enterprise.
- \* 86% to 96% of the accommodation advertised were either available immediately or within the next month.
- \* 9% to 21% of the property managers said they would not rent to people with children.
- \* 17% to 58% of the property managers said they would not

rent to people on welfare.

A full table summary of the findings of the Property Manager survey is available on request at the Housing Help Centre.

#### 4.2 Newspaper Advertisement Survey

This section of the report will first provide a general view of the vacant rental housing market. Then the implications for the low-income consumer will be charted.

##### (i) A General Overview of the Vacant Rental Housing Market

The following tables provide a summary of the cost of accommodation by size for selected days in January, February and March 1990. Each table combines all accommodation types of a specific size.

Definition pertaining to all the tables:

"Median", is the centre of the data. "Mean", is the average of the data. "Range" is the highest and the lowest values. "N", indicates the number of values in a data set.

An example of how the table can be read is:

Table 4.7 Three Bedrooms - Three bedroom accommodation in January could cost anywhere from \$595.00 to \$1500.00. The average (mean) rent for 3 bedroom accommodation was \$868.00 and the middle (median) market rent was \$850.00. This is based on information gathered on 86, vacant, 3 bedroom; houses, duplexes, triplexes, 4-plexes, apartments, condominiums or townhouses.

#### Newspaper Listings of Vacant Rental Units

Table 4.1  
Rooms Unfurnished

	Median	Mean	Range	N =
January	263	287	208-495	8
February	292	292	208 & 375	<u>2*</u>
March	303	306	199-375	<u>3*</u>

\* note small sample size.

Table 4.2  
Shared Accommodation

	Median	Mean	Range	N -
January	350	340	225-550	25
February	300	317	200-550	19
March	325	320	250-439	15

Table 4.3  
Rooms Furnished

	Median	Mean	Range	N -
January	260	288	210-542	24
February	282	299	225-542	19
March	325	325	220-542	20

Table 4.4  
Bachelors

	Median	Mean	Range	N -
January	425	412	295-500	29
February	400	387	250-550	17
March	405	410	257-650	14

Table 4.5  
One Bedrooms

	Median	Mean	Range	N -
January	510	521	320-900	120
February	500	519	324-900	131
March	500	523	275-1000	92

Table 4.6  
Two Bedrooms

	Median	Mean	Range	N =
January	675	689	425-1000	113
February	685	675	368-1400	119
March	700	788	450-1075	81

Table 4.7  
Three Bedrooms

	Median	Mean	Range	N =
January	850	868	595-1500	86
February	850	874	350-1450	92
March	875	899	575-2000	82

Tables 4.1 to 4.7 provides a view of the market from the perspective of someone looking for market rental housing in January, February and March 1990. The next section is an attempt to draw out the implications of the rental market on the low-income consumer.

### (ii) The Low-Income Consumer and Rental Market Housing

The following analysis is a view of the rental housing market from the perspective of the low-income consumer. Initially the assumptions pertaining to the analysis will be described, followed by tables depicting the analysis.

#### Assumptions

#### Adequate Housing

The definition of adequate housing is similar, if not identical, to the one employed by the Hamilton-Wentworth Housing Authority to house tenants on their waiting list. Other definitions are available. Some are more conservative, such as the one outline by the Social Planning Council of Toronto, and others are more liberal, such as the one employed by the City of Hamilton Health Department. The choice of the following definition is arbitrary. However, it is familiar to community members and provides a consistent benchmark for data analysis.

The definition follows.

1. One Person - a furnished room, or a bachelor unit.
2. Couple - a one bedroom unit.
3. One parent and one child - 2 bedroom unit.
4. One parent and two same sex children - 2 bedroom unit.
5. One parent and three same sex children - 3 bedroom unit.
6. Two parents and one child - 2 bedroom unit.
7. Two parents and two same sex children - 2 bedroom unit.
8. Two parents and three same sex children - 3 bedroom unit.
9. Two parents and four same sex children - 3 bedroom unit.

#### Median Market Rent

For the purpose of these tables Median Market Rent is the lowest median rent finding over the three month study period per each accommodation type. For example, the median market rent for a one bedroom unit in January was \$510, February \$500 and March \$500. The median rent for a one bedroom unit presented in each table is \$500 per month.

#### Income Source

The tables assume low or limited incomes from the following sources and family types:

1. Family Benefits - One person and families of two, three, four, five and six persons.
2. General Welfare Assistance for employables - one person and couple.
3. Old Age Security, Guarantee Income Supplement and GAINS - one person and a couple.
4. Minimum wage, \$5.00 per hour - one employed person and an employed couple.

#### Affordability Ratio

A 25% of gross monthly income is assumed to be affordable accommodation for the purposes of analysis. There are many definitions of affordable. The 25% of gross monthly income is a crude indication of affordable for people who have a very low income. However, with few adequate and familiar alternative definitions available the 25% of gross monthly income will be employed in this report.

#### Income Required

The term "Income Required" is the amount of income required to rent a median priced rental unit, assuming a 25% rent to gross income affordability ratio.

### Poverty Line

The analysis will assume the Statistics Canada estimates of "Poverty Lines" for 1990. (Perception. Vol.14, #1, p.48, Jan.1990.)

### One Person

Table 4.8  
One Person Receiving Family Benefits Allowance  
Poverty Line \$1,183

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Furnished Room	260	544	48	1,052
Bachelor	400	634	63	1,600

Table 4.9  
One Person Receiving General Welfare Assistance  
Poverty Line \$1,183

Accommodation Size	Median Market Rent \$	General Welfare Income \$	Affordability Ratio %	Income Required \$
Furnished Room	260	477	55	1,052
Bachelor	400	567	71	1,600

Table 4.10  
One Person Receiving OAS/GIS/GAINS  
Poverty Line \$1,183

Accommodation Size	Median Market Rent \$	OAS/ GIS Income \$	Affordability Ratio %	Income Required \$
Furnished Room	260	844	31	1,052
Bachelor	400	844	47	1,600

Table 4.11  
One Person Receiving Minimum Wages  
Poverty Line \$1,183

Accommodation Size	Median Market Rent \$	Minimum Wage Income \$	Affordability Ratio %	Income Required \$
Furnished Room	260	867	30	1,052
Bachelor	400	867	46	1,600

Couple

Table 4.12  
Couple Receiving General Welfare Assistance  
Poverty Line \$1,608

Accommodation Size	Median Market Rent \$	General Welfare Income \$	Affordability Ratio %	Income Required \$
One Bedroom	500	974	51	2,000

Table 4.13  
Two Income Couple Receiving Minimum Wages  
Poverty Line \$1,608

Accommodation Size	Median Market Rent \$	Minimum Wage Income \$	Affordability Ratio %	Income Required \$
One Bedroom	500	1,734	29	2,000

**Table 4.14**  
**Two Retired Seniors Receiving OAS/GIS/GAINS**  
**Poverty Line \$1,608**

Accommodation Size	Median Market Rent \$	OAS/GIS/ GAINS Income \$	Affordability Ratio %	Income Required \$
One Bedroom	500	1,401	36	2,000

**Families**

**Table 4.15**  
**One Parent and One Child**  
**Receiving Family Benefits Allowance**  
**Poverty Line \$1,608**

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Two Bedroom	675	1,065	63	2,700

**Table 4.16**  
**One Parent and Two Children**  
**Receiving Family Benefits Allowance**  
**Poverty Line \$2,041**

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Two Bedroom	675	1,213	56	2,700
Three Bedroom	850	1,213	70	3,400

Table 4.17  
 One Parent Three Children  
 Receiving Family Benefits Allowance  
 Poverty Line \$2,350

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Three Bedroom	850	1,377	62	3,400

Table 4.18  
 Two Parents and One Child  
 Receiving Family Benefits Allowance  
 Poverty Line \$2,041

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Two Bedroom	675	1,231	55	2,700

Table 4.19  
 Two Parents and Two Children  
 Receiving Family Benefits Allowance  
 Poverty Line \$2,350

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Two Bedroom	675	1,395	48	2,700
Three Bedroom	850	1,395	61	3,400

Table 4.20  
 Two Parents and Three Children Receiving  
 Family Benefits Allowance  
 Poverty Line \$2,575

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Three Bedroom	850	1,559	55	3,400

Table 4.21  
 Two Parents and Four Children  
 Receiving Family Benefits Allowance  
 Poverty Line \$2,792

Accommodation Size	Median Market Rent \$	Family Benefits Income \$	Affordability Ratio %	Income Required \$
Three Bedroom	850	1,698	50	3,400

### Summary

Given the assumptions outlined above it appears that low-income tenants are experiencing difficulty acquiring affordable housing in the rental housing market. Anyone living on the income levels used in the tables are living hundreds of dollars below the poverty line. All, if they could find accommodation at the median market rent, would be paying more than 25% of their gross monthly income towards rent. Even the income required to acquire a median priced rental unit is hundreds of dollars more than these low-income tenants receive per month. The tenants ability to compete in the rental housing market is significantly curtailed because of their limited income.

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